

**Board of Governors
of the
Pennsylvania State System of Higher Education
Meeting Minutes**

130th Meeting
Thursday, April 6, 2006
Boardroom, First Floor
Administration Building
2986 North Second Street
Harrisburg, PA 17110-1201

9:00 a.m.

ATTENDING:

Board of Governors:

Representative Matthew E. Baker
Mr. John M. Brinjac (designee for Governor Edward G. Rendell)
Mr. Mark E. Collins, Jr.
Ms. Marie Conley Lammando
Mr. Nathan Conroy
Mr. Paul S. Dlugolecki
Dr. James L. Gearity (designee for Secretary Gerald L. Zahorchak)
Representative Michael K. Hanna
Senator Vincent J. Hughes
Mr. Kenneth M. Jarin (*Chair*)
Mr. Kim E. Lyttle
Ms. Allison C. Peitz
Mr. C.R. "Chuck" Pennoni
Mr. Guido M. Pichini
Senator James J. Rhoades
Mr. Aaron A. Walton

Mr. Daniel P. Elby, Mr. David P. Holveck, and Ms. Christine J. Torette Olson were absent.

Office of the Chancellor:

Dr. Judy G. Hample (*Chancellor*)
Jeffrey Cooper, Esquire
Mr. James S. Dillon
Dr. Peter H. Garland
Mr. Thomas M. Krapsho
Mr. Kenneth D. Marshall
Dr. Khalil Yazdi

Also in attendance for participation or in support of committee/Board activities from the Office of the Chancellor were: Lou Bohl-Fabian, Pamela Brand, Charmaine Clowney, Ginger Coleman, Steven Dupes, Lois Johnson, Karen Madden, Jeff McCloud, Jim Moran, Donald Passmore, Steve Robinson, and Bonnie R. Westhafer.

University Presidents in attendance: Madeleine Wing Adler, Angelo Armenti, Jr., Tony Atwater, F. Javier Cevallos, Robert J. Dillman (represented by Julie Del Giorno), Joseph P. Grunenwald, G. F. "Jody" Harpster, Jessica S. Kozloff, Keith T. Miller, Francine G. McNairy, Frank G. Pogue, Jr. (represented by Emily Sinsabaugh), Robert M. Smith and David J. Werner.

Chairman Jarin called the meeting to order. Attendance taken at the direction of the Chairman established that a quorum of the Board was present.

The Pledge of Allegiance was recited by those in attendance.

APPROVAL OF THE MINUTES OF THE JANUARY 12, 2006 MEETING

Chairman Jarin noted that the minutes of the January 12, 2006 meeting were distributed prior to the meeting. The Chairman moved THAT THE MINUTES OF THE JANUARY 12, 2006 MEETING BE APPROVED. Mr. Guido Pichini seconded the motion. The motion passed unanimously.

REMARKS OF THE CHAIR

Chairman Jarin welcomed fellow Board members, the Chancellor, University Presidents, staff and guests.

The Chairman reported that Governor Rendell's proposed spending plan, introduced today, includes the largest base appropriation in PASSHE's history—\$465.4 million—an increase of \$20 million, or 4.5 percent, over the current funding level. It also represents the largest percentage increase for PASSHE in nearly a decade.

Chairman Jarin commented that the Governor's budget recognizes the vital role that PASSHE and the 14 Universities play in the Commonwealth. The Chairman stated that he will work with the Administration and General Assembly throughout the budget process to help ensure the highest possible level of funding for PASSHE. Chairman Jarin noted that Chancellor Hample represented PASSHE before the House and Senate Appropriations Committees on February 23 and March 1, respectively. Members of those committees were positive about the accomplishments of the System and supportive of our budget request.

The Chairman noted that a Best Practices Conference on private fundraising and diversity was convened on January 30 to learn more about the strategies that System Universities are using to reach their strategic goals. Board members, University Presidents, senior administrators, and the Chancellor and her staff attended the conference. On March 21, 2006, Chancellor Hample, her staff, and University Presidents presented a workshop on System Accountability and Performance Funding for the Board.

Chairman Jarin announced that the Board of Governors met in Executive Session from 9:10 a.m. to 11:35 a.m.

The Chairman called on Chancellor Judy Hample for her report.

REPORT OF THE CHANCELLOR

Chancellor Hample recognized Governors Collins and Conroy as outstanding student leaders and thanked them for their service to the Board of Governors. Both were extended best wishes in their future career endeavors.

Chancellor Hample thanked Representatives Baker and Hanna for their amendments to House Bill 2499 that would have the effect of fully funding PASSHE's 2006-2007 appropriations request.

Chancellor Hample presented highlights from her written report to the Board. She noted that:

- Several hundred PASSHE University students participated in alternative Spring Break programs this year. Many traveled to the Gulf Coast region devastated by Hurricane Katrina to help with relief efforts.
- Bloomsburg University President Jessica Kozloff was presented with the President's Award by the Pennsylvania Black Conference on Higher Education during its 36th Annual Conference in February.
- Clarion University's debate team captured the University's first national championship.
- Bloomsburg, Millersville and Shippensburg Universities are listed among the top 100 values in public colleges by *Kiplinger's Personal Finance* magazine.
- Edinboro University's specialist program in school psychology received national recognition and conditional accreditation by the National Association of School Psychologists (NASP). The award is based on the program's outstanding results in adherence to critical NASP standards. Program graduates have a nearly 100 percent placement rate.
- Indiana University of Pennsylvania President, Dr. Tony Atwater, joins a select group of leaders nationwide to serve on the Board of Directors for the International Student Exchange Program, the world's largest international education network.
- Mansfield University received re-accreditation from the Council on Social Work Education's Commission on Accreditation for their Bachelor of Social Work program.
- The National League for Nursing Accrediting Commission recommended Mansfield University's Bachelor of Science in Nursing program for re-accreditation and the Master of Nursing program for initial accreditation.
- Slippery Rock University's Safety and Health Management Program is among the first three programs in the nation to qualify for Board approval from the National Safety Management Society's Institute for Safety and Health Management.
- Slippery Rock University won the Bronze Telly Award for its recruitment DVD. The award is the premier award honoring local, regional and cable television commercials and programs, as well as the finest video and film productions. The national and

international competition receives more than 10,000 entries annually from all 50 states and many countries.

Chancellor Hample's written report is attached (Attachment #1).

PUBLIC COMMENTS

Dr. Donald Clark from the NAACP addressed members of the Board attending committee meetings on April 5, 2006. Dr. Clark stated that organized attacks and racial and gender discriminations are occurring on PASSHE campuses. A written report will be sent to Chancellor Hample.

Dr. Patricia Heilman, president of APSCUF, offered comments. She thanked President Francine McNairy for her testimony before the House Select Committee on House Resolution 177 (Academic Freedom).

Dr. Heilman noted that the collective bargaining agreements covering employees represented by APSCUF (Faculty and Coaches), AFSCME and several other unions will expire on June 30, 2007. The APSCUF office will issue a letter outlining its interpretation of labor laws on the timeline for negotiations.

Dr. Heilman compared data prepared by the APSCUF office to data prepared by PASSHE on faculty and management salaries.

COMMITTEE REPORTS WITH RELATED ACTIONS

A. Academic and Student Affairs Committee

Mr. Walton presented the report on behalf of the Academic and Student Affairs Committee. Ms. Chelsea M. Grove, a graduating senior at Indiana University of Pennsylvania, was recognized and introduced as the recipient of the 2006 Syed R. Ali-Zaidi Award for Academic Excellence. Runners-up for the Award were Ms. Charity Pearl Walker, a Mansfield University of Pennsylvania graduate, and Mr. Thomas E. Deems, Jr., a Slippery Rock University of Pennsylvania graduate.

One new academic program was recommended to the Board for approval.

Mr. Walton moved THAT THE BOARD OF GOVERNORS APPROVE THE BACHELOR OF SCIENCE IN COMPUTER FORENSICS DEGREE PROGRAM AT BLOOMSBURG UNIVERSITY OF PENNSYLVANIA. Mr. Conroy seconded the motion. The motion passed unanimously.

B. Advancement Committee

Mr. Lyttle presented the report on behalf of the Advancement Committee. The Committee received updates on three informational items. There were no action items to report.

C. Finance, Administration, and Facilities Committee

Mr. Pennoni presented the report on behalf of the Finance, Administration, and Facilities Committee. Six items were recommended to the Board for approval.

Mr. Pennoni moved THAT THE BOARD OF GOVERNORS APPROVE THE ATTACHED UNDERGRADUATE NONRESIDENT TUITION PLANS FOR 2006-07 (Attachment 2). Senator Rhoades seconded the motion. The motion passed unanimously.

Mr. Pennoni moved THAT THE BOARD OF GOVERNORS APPROVE EDINBORO UNIVERSITY'S REQUEST TO BOND FINANCE A GESA PROJECT IN THE AMOUNT OF APPROXIMATELY \$10.5 MILLION. Mr. Collins seconded the motion. The motion passed unanimously.

Mr. Pennoni moved THAT THE BOARD OF GOVERNORS APPROVE KUTZTOWN UNIVERSITY'S REQUEST TO CONSTRUCT NEW ON-CAMPUS STUDENT HOUSING AND THE ISSUANCE OF PASSHE BONDS FOR FINANCING. Mr. Collins seconded the motion. The motion passed unanimously.

Mr. Pennoni moved THAT THE BOARD OF GOVERNORS APPROVE MILLERSVILLE UNIVERSITY'S REQUEST TO BOND FINANCE INFRASTRUCTURE AND DEFERRED MAINTENANCE WORK IN THE AMOUNT OF APPROXIMATELY \$10 MILLION. Mr. Collins seconded the motion. The motion passed unanimously.

Mr. Pennoni moved THAT THE BOARD OF GOVERNORS ADOPT THE ATTACHED RESOLUTION TO AUTHORIZE FUTURE ISSUANCE OF REFUNDING BONDS, WHEN MARKET CONDITIONS PERMIT. BEFORE PROCEEDING, THE FINANCIAL ANALYSIS WILL BE REVIEWED BY THE CHAIRPERSON OF THE FINANCE, ADMINISTRATION, AND FACILITIES COMMITTEE (Attachment 3). Mr. Collins seconded the motion. The motion passed unanimously. Chairman Jarin abstained.

Mr. Pennoni moved THAT THE BOARD OF GOVERNORS ADOPT THE ATTACHED RESOLUTION AUTHORIZING ISSUANCE OF THE SERIES AE BOND ISSUE (Attachment 4). Mr. Collins seconded the motion. The motion was passed unanimously. Chairman Jarin abstained.

D. Human Resources Committee

Ms. Conley Lammando presented the report on behalf of the Human Resources Committee. One item was recommended to the Board for approval.

Ms. Lammando moved THAT THE BOARD OF GOVERNORS:

1. AUTHORIZE THE CHANCELLOR TO ESTABLISH A 6% PERFORMANCE-BASED MERIT SALARY POOL FOR PASSHE MANAGERS 140 THROUGH 270 WITH SALARY ADJUSTMENTS TO BE EFFECTIVE JULY 1, 2006;
2. ACCOMPLISH MERIT PAY ADJUSTMENTS CONSISTENT WITH THE PROVISIONS OF THE NEW PAY SCHEDULE AND GUIDELINES TO BE ISSUED BY THE OFFICE OF THE CHANCELLOR GIVING THE CHANCELLOR AND UNIVERSITY PRESIDENTS THE AUTHORITY TO PROVIDE MERIT INCREASES FOR MANAGERS IN PAY GRADES 140 THROUGH 260;
3. AUTHORIZE THE CHANCELLOR, IN CONSULTATION WITH THE CHAIRMAN AND HUMAN RESOURCES COMMITTEE OF THE BOARD OF GOVERNORS, TO SET THE SALARIES OF PRESIDENTS IN PAY GRADE 260;
4. AUTHORIZE THE CHAIRMAN, IN CONSULTATION WITH THE BOARD OF GOVERNORS, TO SET THE SALARY OF THE CHANCELLOR IN PAY GRADE 270 AND THE INTERNAL AUDITORS IN PAY GRADES 210 AND 190;
5. REQUIRE UNIVERSITY PRESIDENTS TO REPORT TO THE CHANCELLOR ON THE OVERALL DISTRIBUTION OF MERIT INCREASES FOR MANAGERS USING THE CRITERIA PROVIDED.

Mr. Collins seconded the motion. The motion passed unanimously.

E. Information Technology Committee

Mr. Brinjac presented the report on behalf of the Information Technology Committee. The Committee received an update on the implementation of the Student Information System Modules of SAP. There were no action items to report.

NEW BUSINESS

Chairman Jarin presented two items for Board approval.

Mr. Pennoni moved THAT THE BOARD OF GOVERNORS APPROVE THE NOMINATING COMMITTEE AS PRESENTED BY THE CHAIR. The motion passed unanimously.

Mr. Pennoni moved THAT IN THE ABSENCE OF A QUORUM OF THE BOARD OF GOVERNORS, THE EXECUTIVE COMMITTEE BE AUTHORIZED TO APPROVE THE APPOINTMENT OF A PRESIDENT FOR MANSFIELD UNIVERSITY OF PENNSYLVANIA FROM THOSE CANDIDATES RECOMMENDED TO THE CHANCELLOR AND TO THE BOARD BY THE UNIVERSITY COUNCIL OF TRUSTEES AT THE CONCLUSION OF THE INTERVIEW PROCESS AND FURTHER, THAT THE CHAIRMAN OF THE BOARD AND THE CHANCELLOR BE AUTHORIZED TO NEGOTIATE AN EMPLOYMENT CONTRACT IN ACCORDANCE WITH BOARD POLICY. The motion passed unanimously.

OTHER BUSINESS

Mr. Pennoni read a resolution honoring the contributions of Mark E. Collins, Jr. (Attachment #5). Chairman Jarin moved THAT THE BOARD OF GOVERNORS APPROVE THE RESOLUTION. The motion passed unanimously.

Mr. Walton read a resolution honoring the contributions of Nathan R. Conroy (Attachment #6). Chairman Jarin moved THAT THE BOARD OF GOVERNORS APPROVE THE RESOLUTION. The motion passed unanimously.

Ms. Allison Peitz read a resolution honoring the contributions of President Robert J. Dillman (Attachment #7). Chairman Jarin moved THAT THE BOARD OF GOVERNORS APPROVE THE RESOLUTION. The motion passed unanimously.

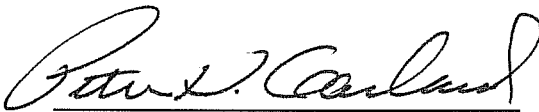
ANNOUNCEMENT

Chairman Jarin announced that the next quarterly Board of Governors' meeting is scheduled for July 12-13, 2006.

ADJOURNMENT

There being no further items of business to come before the Board, the Chairman adjourned the meeting at 12:55 p.m.

ATTEST:

A handwritten signature in cursive script, appearing to read "Peter H. Garland", written over a horizontal line.

Peter H. Garland
Secretary to the Board